RAY, QUINNEY & NEBEKER PROFESSIONAL CORPORATION ATTORNEYS AT LAW

S. J. QUINNEY
ALBERT R. BOWEN
W. J. O'CONNOR, JR.
ALONZO W. WATSON, JR.
STEPHEN B. NEBEKER
MITCHELL MELICH
L. RIDD LARSON
DON B. ALLEN
MERLIN O. BAKER
STEPHEN H. ANDERSON
CLARK P. GILES
JAMES W. FREED
THOMAS A. QUINN
H. HAL VISICK
EUGENE H. BRAMHALL
NARRYEL E. HALL
JAMES L. WILDE
M. JOHN ASHTON
HERBERT C. LIVSEY
WILLIAM A. MARSHALL
JAMES Z. DAVIS
J. MICHAEL KELLY
PAUL S. FELT
GERALD T. SNOW
ALAN A. ENKE
JONATHAN A. DIBBLE
SCOTT H. CLARK
JAMES W. GILSON
STEVEN H. GUNN

JAMES S. JARDINE
KENT H. MURDOCK
JANET HUGIE SMITH
DOUGLAS MATSUMORI
ROBERT P. HILL
ANTHONY W. SCHOFIELD
NORMAN L. ASHTON (GUAM ONLY)
ALLEN L. ORR
BRAD D. HARDY
BRIAN E. KATZ
A. ROBERT THORUP
TARA D. ANDERSON
LARRY G. MOORE
ANTHONY B. OUINN
THOMAS L. KAY
BRUCE L. OLSON
JOHN A. ADAMS
DOUGLAS M. MONSON
CRAIG CARLILE
STEVEN W. HARRIS
RICHARD H. CASPER
PENNY A. RODEEN
KEVIN G. GLADE
USERNEY D. EISENBERG
ENID GREENE
SUSAN G. DEISLEY
ANITA F. RATCLIFFE

400 DESERET BUILDING 79 SOUTH MAIN STREET SALT LAKE CITY, UTAH 84111 (80) 532-1500

210 FIRST SECURITY BANK BLDG. 92 NORTH UNIVERSITY AVENUE PROVO, UTAH 84601

(801) 226-7210

1020 FIRST SECURITY BANK BLDG. 2404 WASHINGTON BOULEVARD OGDEN, UTAH 84401

(801) 621-0713

PAUL H. RAY (1893-1967) C. PRESTON ALLEN (1921-1971) MARVIN J. BERTOCH (1915-1978) A. H. NEBEKER (1895-1980)

TELECOPY NO. (801) 532-7543

February 6, 1984

Calvin K. Sudweeks
Executive Secretary
Utah Water Pollution Control Committee
150 West North Temple
P.O. Box 2500
Salt Lake City, UT 84110-2500

Re: Kinetic Minerals, Inc.

RECEIVED

FEB 8 - 1984

BUREAU OF WATER POLLUTION CONTROL

Dear Mr. Sudweeks:

This letter is written on behalf of Kinetic Minerals, Inc. in response to the "Notification of Violation, Order to Cease and Desist, and Order for Information" issued by the Utah Water Pollution Control Committee on January 23, 1984. Much of the information requested by you is contained in a letter dated February 3, 1984, from Howard F. Bovers, President of Kinetic Minerals, Inc. to Scott J. Thorley, Iron County Attorney (a copy of that letter is enclosed). However, the following information is provided in specific response to the Order for Information contained in the January 23, 1984 notification.

- 1. Kinetic Minerals, Inc. is aware of no discharge from the milling operations at the Stateline Mine in Iron County, Utah to other than approved locations except as the result of a leak in the drainage line to the tailings pond on November 18, 1983.
- 2. Approximately 2,000 gallons of water was pumped from the pregnant solution tank at the mill operation into the tailings pond drainage pipe before the leak was discovered. Pumping was

Calvin K. Sudweeks Page 2

halted immediately upon discovery of the leak and no further waste water was pumped into the drainage line. Although the exact quantity of waste water which leaked from the drainage pipe is not known, it is believed that a substantial portion of the 2,000 gallons leaked from the drainage pipe onto the surrounding ground area and possibly into the adjacent creek.

- 3. Immediately after discovery of the leak, the plant superintendent drove to the nearest town where he purchased 12 gallons of Chlorox (12 percent solution of sodium hypochloride). Where the superintendent returned to the milling operation site that same afternoon and applied the Chlorox to the remaining liquid in the pregnant solution tank, the ground area around the leak, and the creek at the area where any runoff might have drained into the creek. The next day, the plant superintendent purchased 6 gallons of swimming pool chlorine (approximately 60-65% chlorine) and distributed the chlorine in the same locations as he had distributed the Chlorox.
- 4. The discharges were caused by a leak in the drainage pipe to the tailings pond which was the result of freezing temperatures.
- 5. The person who was in charge of the operation when the leak was discovered was La Var Hollingshead, plant superintendent. No individual caused or authorized any improper discharge.
- 6. The results from tests of samples taken by Kinetic Minerals, Inc. are set forth on Exhibit A attached hereto.
- 7. In order to prevent any such discharges in the future, Kinetic Minerals, Inc. intends to repair the tailings pond drainage pipe before conducting any additional operations and to carefully test and inspect the drainage pipe before its use after any adverse weather conditions involving freezing temperatures.

Since the incident which seems to have given rise to this matter occurred on November 18, 1983, and since Kinetic Minerals, Inc. has received no information as to any actual or potential harm to vegetation, wildlife or human life except for the general unsupported statements contained in the letters of January 16 and 17 from the Iron County Attorney, we would appreciate very much being provided with information which provides the basis for the Notification issued by you and referred to above. We would be particularly interested in any alleged harm

Calvin K. Sudweeks Page 3

to vegetation, wildlife or human beings as well as the results of any tests of alleged contaminated discharge water. With regard to those tests, we would like to know when and where they were taken and the names of any individuals who might have been present when the samples were taken.

Finally, Kinetic Minerals, Inc. hereby exercises its right to appeal the order referred to above and would like for you to consider this letter as its written application for a hearing before the Utah Water Pollution Control Committee at the earliest appropriate time.

If you have any questions, I would be happy to discuss these matters with you further.

Sincerely,

RAY, QUINNEY & NEBEKER

J. Michael Kelly

JMK/sbq

cc: Howard Bovers

Fred Nelson

EXHIBIT A

Sample No.	Date Sample Taken	Location of Sample	Test Result Cyanide - PMM
1	01/24/84	Creek above mill	< .004
2	01/24/84	Creek below mill	< .004
3	01/24/84	Mud where creek exits from old tailings pond	.089
4	01/24/84	Below new tailing pond	.054
5	11/18/83	Pregnant solution tank	.025